11/21/83
A3275-1

ASSOCIATION OF AMERICAN RAILROADS

SECOND QUARTER 1983
R&E Series No. 714
August 23, 1983

RAILROAD REVENUES, EXPENSES, AND INCOME

CLASS I RAILROADS IN THE UNITED STATES

(Dollars in thousands)

ACCOUNT	FOR THE SECOND QUARTER 1983	1982	PERCENT INCREASE 1983 OVER 1982	FOR THE SIX MONTHS ENDED JUNE 30 1983	1982	PERCENT INCREASE 1983 OVER 1982
REVENUE						
FREIGHT	$ 6 366 989	$ 6 758 441	D 5.8	$ 12 938 105	$ 13 844 193	D 6.6
PASSENGER	76 982	145 048	D 46.9	152 054	287 227	D 47.0
PASSENGER RELATED	1 874	2 727	D 31.2	4 063	5 284	D 23.1
ALL OTHER OPERATING REVENUE	245 618	322 457	D 23.8	490 975	655 794	D 25.4
JOINT FACILITY ACCOUNT	3 648	5 087	D 28.2	7 168	9 706	D 26.1
TOTAL OPERATING REVENUES	6 695 033	7 225 960	D 7.3	13 182 365	14 422 201	D 8.5
EXPENSES						
DEPRECIATION-ROAD	57 293	56 986	.5	116 773	111 204	5.0
ALL OTHER WAY AND STRUCTURES	1 298 397	1 380 289	D 5.9	2 258 429	2 448 074	D 7.7
TOTAL WAY AND STRUCTURES	1 355 690	1 437 295	D 5.6	2 375 202	2 559 278	D 7.1
DEPRECIATION-EQUIPMENT	250 061	254 401	D 1.7	501 581	511 614	D 1.9
ALL OTHER EQUIPMENT	1 265 149	1 393 633	D 9.2	2 554 458	2 866 785	D 10.8
TOTAL EQUIPMENT EXPENSE	1 515 210	1 648 034	D 8.0	3 056 039	3 378 199	D 9.5
TRANSPORTATION-TRAIN & YARD	2 462 551	2 717 602	D 9.3	4 996 455	5 639 881	D 11.4
TRANSPORTATION-SPEC. SERV. & ADM.	367 079	388 428	D 10.6	708 459	781 988	D 9.4
GENERAL AND ADMINISTRATIVE	665 056	634 797	4.7	1 135 268	1 294 351	3.1
TOTAL OPERATING EXPENSES	6 345 586	6 826 116	D 7.0	12 471 423	13 653 697	D 8.6
NET REVENUE FROM RAILWAY OPERATIONS	349 447	399 844	D 12.6	710 942	768 504	D 7.4
OTHER INCOME	358 722	345 932	3.6	576 351	662 919	D 13.0
DIVIDENDS FROM AFFILIATES	30 291	19 134	58.3	55 836	54 163	3.0
EQUITY IN UNDISTR. EARN. OF AFFIL.	DR 49 244	32 061	D 250.4	DR 58 546	25 210	D 332.2
TOTAL INC. FROM AFFILIATED COS.	DR 17 953	51 195	D 135.0	DR 2 712	79 373	D 103.4
MISCELLANEOUS DEDUCTIONS	50 521	46 106	9.5	103 086	93 379	10.3
INCOME AVAILABLE FOR FIXED CHARGES	639 695	750 865	D 14.8	1 181 495	1 417 617	D 16.6
FIXED CHARGES						
INTEREST ON FUNDED DEBT	239 121	257 484	D 7.1	482 539	518 523	D 6.9
INTEREST ON UNFUNDED DEBT	10 016	8 999	11.3	19 781	18 431	7.3
AMORT. OF DISCOUNT ON FUNDED DEBT	1 930	1 981	D 37.3	4 991	5 931	D 17.5
TOTAL FIXED CHARGES	251 067	269 563	D 6.8	507 211	542 885	D 6.5
INCOME AFTER FIXED CHARGES	388 628	481 302	D 19.2	674 284	874 932	D 22.8
OTHER DEDUCTIONS	4 350	4 369		8 686	8 877	D 2.1
UNUSUAL OR INFREQ. ITEMS (DR.) CR.	3 436	23 193	D 85.1	14 253	21 761	D 34.5
INCOME (LOSS) FR. CONT. OPER. BEFORE INC. TAX	387 714	500 146	D 22.4	679 851	887 416	D 23.3
INCOME TAXES ON ORDINARY INCOME	CR 21 804	5 487	D 497.3	CR 42 841	102 007	D 141.9
PROVISION FOR DEFERRED INCOME TAXES	154 533	136 206	13.4	294 458	216 598	35.9
INCOME (LOSS) FR. CONT. OPER. AFTER INC. TAX	254 985	358 453	D 28.8	428 234	568 811	D 24.7
INCOME (LOSS) FR. OPER. OF DISCONT. SEG.	0	0		0	0	
GAIN (LOSS) ON DISP. OF DISCONT. SEG.	0	0		0	0	
ORDINARY INCOME	254 985	358 453	D 28.8	428 234	568 811	D 24.7
EXTRAORDINARY ITEMS (NET)	33 619	0		33 619	0	
INCOME TAXES ON EXTRAORDINARY ITEMS	CR 9 638	0		CR 9 638	0	
PROV. FOR DEF. TAXES-EXTRAORD. ITEMS	12 115	0		12 115	0	
CUM. EFFECT OF CHANGES IN ACCT. PRIN.	0	0		0	0	
NET INCOME (AFTER EXTRAORDINARY ITEMS)	286 127	358 453	D 20.1	459 276	568 811	D 19.2
INCOME FROM LEASE OF ROAD & EQUIP.	1 553	1 442	7.6	3 047	2 084	46.2
RENT FOR LEASED ROADS & EQUIPMENT	19 106	10 739	77.9	34 020	20 855	63.1
NET RAILWAY OPERATING INCOME	234 271	267 448	D 12.4	490 298	468 870	4.6
CASH FLOW	765 116	773 965	D 1.1	1 399 592	1 382 817	1.2
RATIOS						
RATIO TO OPERATING REVENUES:						
OPERATING EXPENSES	94.7	94.4		94.6	94.6	
OPERATING EXPENSES (INC. INC. TAXES)	96.7	96.4		96.5	96.8	
NET RAILWAY OPERATING INCOME	3.4	3.7		3.7	3.2	

RATE OF RETURN ON PROPERTY INVESTMENT [a]

Year Ended June 30

(Thousands)

	Net Investment		Net Railway Operating Income		Rate of Return [b]	
	1982	1982	1983	1982	1983	1982
EASTERN DISTRICT	$ 9 631 396	$ 9 716 620	$ -25 288	$ 338 806	Def.	3.49%
SOUTHERN DISTRICT	7 408 751	7 268 937	276 096	236 853	3.73%	3.26
WESTERN DISTRICT	18 229 545	18 011 628	513 051	526 797	2.82	2.92
UNITED STATES	35 268 692	34 997 185	763 859	1 102 456	2.17	3.15

RAILROAD REVENUES, EXPENSES, AND INCOME

SECOND QUARTER 1983 and 1982

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		ORDINARY INCOME	
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
EASTERN DISTRICT										
BALTIMORE & OHIO	$ 222	$ 243	$ 231	$ 253	$ 246	$ 248	$ -18	$ 2	$ 25	$ 4
BESSEMER & LAKE ERIE	16	19	20	25	14	22	3	1	3	2
BOSTON & MAINE	29	30	30	32	31	31	0	0	0	1
CHESAPEAKE & OHIO	238	286	248	300	225	261	16	20	10	49
CONRAIL	737	765	766	915	731	923	35	-8	36	20
DELAWARE & HUDSON	27	28	28	29	28	32	0	-2	-3	-5
DETROIT, TOLEDO & IRONTON	16	19	17	19	18	22	-1	-3	-2	-3
ELGIN, JOLIET & EASTERN	15	14	24	22	22	21	2	0	1	1
GRAND TRUNK WESTERN	57	65	60	68	57	64	4	4	2	4
LONG ISLAND	2	4	111	103	124	108	-13	-5	-13	-6
NORFOLK & WESTERN	373	474	386	491	337	364	29	70	43	94
PITTSBURGH & LAKE ERIE	10	12	10	12	14	15	-4	-3	-7	-5
WESTERN MARYLAND	6	23	6	24	7	20	-2	2	1	3
EASTERN DISTRICT TOTAL	1 747	1 981	1 937	2 292	1 854	2 132	50	79	97	159
SOUTHERN DISTRICT										
FLORIDA EAST COAST	25	21	25	22	20	19	-8	1	24	3
ILLINOIS CENTRAL GULF	197	210	216	230	217	259	-1	-29	-6	-20
SEABOARD SYSTEM	591	592	603	608	588	597	18	26	12	28
SOUTHERN RY SYSTEM	401	412	409	421	348	355	44	43	40	44
SOUTHERN DISTRICT TOTAL	1 214	1 235	1 253	1 281	1 173	1 231	53	41	70	56
WESTERN DISTRICT										
ATCHISON, TOPEKA & SANTA FE	497	519	507	530	470	485	31	34	24	25
BURLINGTON NORTHERN	922	916	943	939	866	913	53	24	41	22
CHICAGO & NORTH WESTERN	184	178	209	203	197	200	13	4	7	-3
CHICAGO, MILW., ST. PAUL & PAC.	85	87	90	99	95	104	-5	-5	-22	-2
DENVER & RIO GRANDE WESTERN	75	76	76	78	75	69	2	6	2	6
DULUTH, MISSABE & IRON RANGE	23	21	23	22	16	16	3	4	4	3
KANSAS CITY SOUTHERN	74	77	77	80	68	70	7	8	5	5
MISSOURI-KANSAS-TEXAS	55	58	58	61	52	56	6	5	4	2
MISSOURI PACIFIC	399	433	408	447	377	388	29	47	11	38
ST. LOUIS SOUTHWESTERN	89	87	91	89	82	78	2	9	5	12
SOO LINE	65	70	66	71	61	66	0	3	0	4
SOUTHERN PACIFIC CO.	484	514	497	531	510	543	-17	-12	-9	11
UNION PACIFIC	416	454	422	460	401	427	12	23	18	20
WESTERN PACIFIC	37	44	37	45	43	47	-4	-1	-2	-1
WESTERN DISTRICT TOTAL	3 406	3 534	3 505	3 653	3 319	3 463	131	147	88	144
GRAND TOTAL - UNITED STATES	6 367	6 750	6 695	7 226	6 346	6 826	234	287	255	358

RAILROAD REVENUES, EXPENSES, AND INCOME

SIX MONTHS ENDED JUNE 30, 1983 and 1982

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		ORDINARY INCOME	
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
EASTERN DISTRICT										
BALTIMORE & OHIO [E/]	$ 411	$ 472	$ 427	$ 493	$ 448	$ 497	$ -22	$ -2	$ 17	$ -2
BESSEMER & LAKE ERIE	25	34	30	42	29	42	0	-1	1	2
BOSTON & MAINE	55	59	58	62	60	62	-3	0	-2	2
CHESAPEAKE & OHIO	442	532	459	556	421	491	28	29	15	63
CONRAIL	1 434	1 499	1 484	1 809	1 432	1 835	52	-26	55	5
DELAWARE & HUDSON	50	56	52	58	56	62	-4	-4	-9	-8
DETROIT, TOLEDO & IRONTON	32	35	33	36	35	43	-3	-7	-5	-8
ELGIN, JOLIET & EASTERN	29	30	45	50	41	43	3	3	3	6
GRAND TRUNK WESTERN	106	123	112	129	113	126	0	4	-2	3
LONG ISLAND	5	7	223	202	244	223	-21	-19	-22	-21
NORFOLK & WESTERN	706	941	734	975	668	721	40	140	66	183
PITTSBURGH & LAKE ERIE	19	26	20	28	30	32	-10	-4	-15	-8
WESTERN MARYLAND [E/]	22	43	23	44	24	36	-2	4	1	6
EASTERN DISTRICT TOTAL	3 336	3 856	3 699	4 483	3 603	4 214	60	117	103	220
SOUTHERN DISTRICT										
FLORIDA EAST COAST	50	44	51	45	40	39	-6	3	29	6
ILLINOIS CENTRAL GULF	402	437	440	478	433	526	6	-44	-6	-36
SEABOARD SYSTEM	1 183	1 226	1 210	1 260	1 145	1 208	66	61	48	56
SOUTHERN RY. SYSTEM	775	813	792	833	671	701	83	86	70	87
SOUTHERN DISTRICT TOTAL	2 411	2 521	2 492	2 615	2 290	2 474	149	103	140	112
WESTERN DISTRICT										
ATCHISON, TOPEKA & SANTA FE	974	1 043	993	1 065	954	1 007	34	46	21	27
BURLINGTON NORTHERN	1 894	1 811	1 937	1 858	1 709	1 777	147	56	119	54
CHICAGO & NORTH WESTERN	358	355	406	402	389	419	19	-13	7	-10
CHICAGO, MILW., ST. PAUL & PAC.	168	174	177	196	178	210	-2	-14	-19	-17
DENVER & RIO GRANDE WESTERN	143	153	146	157	138	138	7	14	7	13
DULUTH, MISSABE & IRON RANGE	32	33	33	34	30	36	0	-2	2	0
KANSAS CITY SOUTHERN	145	158	152	164	136	142	12	18	9	13
MISSOURI-KANSAS-TEXAS	109	115	114	121	103	112	10	9	6	3
MISSOURI PACIFIC	803	863	823	891	751	775	61	95	28	42
ST. LOUIS SOUTHWESTERN	172	186	175	189	160	162	7	18	9	21
SOO LINE	130	144	133	147	130	133	2	8	2	10
SOUTHERN PACIFIC CO.	933	1 044	960	1 078	1 010	1 119	-51	-61	-44	-6
UNION PACIFIC	855	918	867	931	800	841	43	60	42	51
WESTERN PACIFIC	77	90	78	91	90	95	-9	-3	-4	0
WESTERN DISTRICT TOTAL	6 792	7 087	6 991	7 324	6 579	6 966	281	248	185	236
GRAND TOTAL - UNITED STATES	12 538	13 464	13 182	14 422	12 471	13 654	490	469	428	569

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON—MILES AND CAPITAL EXPENDITURES

CLASS I RAILROADS IN THE UNITED STATES [d/] BY QUARTERS, 1978 - 1983

(All amounts in millions)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
TOTAL OPERATING REVENUES					
1978	$ 4 772	$ 5 752	$ 5 397	$ 5 915	$ 21 836
1979	5 710	6 573	6 478	6 851	25 612
1980	6 802	6 943	6 995	7 517	28 257
1981	7 660	7 582	7 964	7 699	30 905
1982	7 196	7 226	6 613	6 482	27 507
1983	6 487	6 695			
TOTAL OPERATING EXPENSES					
1978	$ 4 903	$ 5 372	$ 5 266	$ 5 581	$ 21 122
1979	5 587	6 057	6 343	6 422	24 409
1980	6 380	6 559	6 602	6 809	26 350
1981	6 954	7 174	7 332	7 117	28 577
1982	6 828	6 826	6 500	6 331	26 473
1983	6 126	6 346			
ORDINARY INCOME (After Fixed Charges)					
1978	Def.$ 255	$ 233	$ 28	$ 246	$ 252
1979	20	430	40	318	808
1980	264	174	148	544	1 130
1981	626	336	480	562	2 004
1982	210	358	199	425	1 180
1983	173	255			
NET RAILWAY OPERATING INCOME					
1978	Def.$ 133	$ 270	$ 57	$ 257	$ 451
1979	57	387	57	299	800
1980	294	263	244	541	1 342
1981	475	278	434	198	1 385
1982	201	267	115	183	767
1983	256	234			
REVENUE TON-MILES					
1978	188 552	230 959	210 982	227 612	858 105
1979	207 945	239 009	229 572	237 173	913 699
1980	233 002	227 197	222 377	236 045	918 621
1981	236 597	222 516	227 534	225 058	911 705
1982	207 428	208 027	191 521	192 771	799 747
1983	196 120	206 000 e/			
CAPITAL EXPENDITURES					
1978	$ 560	$ 680	$ 612	$ 886	$ 2 738
1979	669	767	856	1 033	3 325
1980	855	898	772	1 096	3 621
1981	926	710	550	668	2 854
1982	417	513	461	584	1 975
1983	232	N/A			

Def. - Denotes Deficit

a/ Rate of return is calculated on the net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits as prescribed by the Commission in Ex Parte 393 due to lack of available data on a quarterly basis. It is estimated that the Ex Parte 393 formula would produce a slightly lower return for the majority of carriers than does the formula used above.

b/ The 1983 and 1982 rate of return calculations are based on year-end 1982 and 1981 net investment, respectively.

c/ Differences in totals and subtotals are due to rounding.

d/ Data for 1978 and first three quarters of 1979 include Chicago, Rock Island and Pacific Railroad. The Rock Island is included in Ton-Mile figures for year end 1979.

e/ Estimated.

f/ By Notice of Exemption served April 19, 1983, in Finance Docket No. 30160, The Baltimore and Ohio Railroad Company assumed control of the operations of the properties of Western Maryland Railway Company effective May 1, 1983. Accordingly, the second quarter and six months' results for 1983 reflect this change.

Economics & Finance Department
American Railroads Building
Washington, D.C. 20036
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ASSOCIATION OF AMERICAN RAILROADS

THIRD QUARTER 1983
R&E Series No. 715

December 2, 1983

RAILROAD REVENUES, EXPENSES, AND INCOME

CLASS I RAILROADS IN THE UNITED STATES [1/]

(Dollars in thousands)

ACCOUNT	FOR THE THIRD QUARTER 1983	FOR THE THIRD QUARTER 1982	PERCENT INCREASE 1983 OVER 1982	FOR THE NINE MONTHS ENDED SEPTEMBER 30 1983	FOR THE NINE MONTHS ENDED SEPTEMBER 30 1982	PERCENT INCREASE 1983 OVER 1982
REVENUE						
FREIGHT	$ 6 575 313	$ 6 149 885	6.9	$ 19 108 763	$ 19 686 967	D 2.9
PASSENGER	26 051	93 748	D 72.2	79 500	283 724	D 71.9
PASSENGER RELATED	1 600	1 876	D 14.7	4 695	5 993	D 21.6
ALL OTHER OPERATING REVENUE	202 099	264 953	D 23.6	564 666	823 930	D 31.4
JOINT FACILITY ACCOUNT	3 362	4 262	D 21.1	10 530	13 584	D 24.6
TOTAL OPERATING REVENUES	6 808 425	6 514 324	4.5	19 768 154	20 734 582	D 4.7
EXPENSES						
DEPRECIATION-ROAD	57 983	54 800	5.8	173 079	164 288	5.3
ALL OTHER WAY AND STRUCTURES	1 287 753	1 354 778	D 4.9	3 497 299	3 757 305	D 6.9
TOTAL WAY AND STRUCTURES	1 345 736	1 409 578	D 4.5	3 670 378	3 921 593	D 6.4
DEPRECIATION-EQUIPMENT	242 701	248 751	D 2.4	739 463	757 158	D 2.3
ALL OTHER EQUIPMENT	1 270 188	1 243 262	2.1	3 774 497	4 061 582	D 7.0
TOTAL EQUIPMENT EXPENSE	1 512 889	1 492 013	1.4	4 513 960	4 818 740	D 6.3
TRANSPORTATION-TRAIN & YARD	2 470 101	2 518 709	D 1.9	7 373 100	8 068 435	D 8.6
TRANSPORTATION-SPEC. SERV. & ADM.	376 913	375 106	.4	1 044 491	1 143 197	D 8.6
GENERAL AND ADMINISTRATIVE	613 725	597 366	2.7	1 924 492	1 871 471	2.8
TOTAL OPERATING EXPENSES	6 319 364	6 392 764	D 1.1	18 546 421	19 823 436	D 6.4
NET REVENUE FROM RAILWAY OPERATIONS	489 061	121 560	302.3	1 221 733	911 146	34.0
OTHER INCOME	266 176	322 597	D 17.4	825 933	984 704	D 16.1
DIVIDENDS FROM AFFILIATES	40 189	57 065	D 29.6	111 711	111 256	.4
EQUITY IN UNDISTR. EARN. OF AFFIL.	DR 3 771	144	D 3,998.3	DR 54 799	25 374	D 473.6
TOTAL INC. FROM AFFILIATED COS.	36 418	57 259	D 36.3	16 912	136 632	D 87.6
MISCELLANEOUS DEDUCTIONS	68 705	62 194	10.5	171 792	155 533	10.4
INCOME AVAILABLE FOR FIXED CHARGES	722 952	439 262	64.5	1 892 786	1 876 949	.8
FIXED CHARGES						
INTEREST ON FUNDED DEBT	238 571	250 988	D 4.9	721 110	768 935	D 6.2
INTEREST ON UNFUNDED DEBT	9 742	7 685	26.7	28 458	24 996	13.8
AMORT. OF DISCOUNT ON FUNDED DEBT	2 211	2 405	D 8.0	7 102	8 911	D 20.3
TOTAL FIXED CHARGES	250 524	261 078	D 4.0	756 670	802 842	D 5.7
INCOME AFTER FIXED CHARGES	472 428	178 184	165.1	1 136 116	1 074 107	5.7
OTHER DEDUCTIONS	2 255	4 472	D 49.5	10 940	13 349	D 18.0
UNUSUAL OR INFREQ. ITEMS (DR.) CR.	6 420	39 000	D 83.5	20 354	60 761	D 66.5
INCOME (LOSS) FR. CONT. OPER. BEFORE INC. TAX	476 593	212 712	124.0	1 145 530	1 121 515	2.1
INCOME TAXES ON ORDINARY INCOME	CR 52 114	CR 87 167	D 40.2	CR 96 955	14 840	D 739.8
PROVISION FOR DEFERRED INCOME TAXES	157 721	119 661	31.8	452 179	336 259	34.4
INCOME (LOSS) FR. CONT. OPER. AFTER INC. TAX	370 986	180 218	105.8	788 306	770 420	2.3
INCOME (LOSS) FR. OPER. OF DISCONT. SEG.	DR 5	0		DR 5	0	
GAIN (LOSS) ON DISP. OF DISCONT. SEG.	25	0		25	0	
ORDINARY INCOME	370 966	180 218	105.8	788 286	770 420	2.3
EXTRAORDINARY ITEMS (NET)	2 096	0		35 715	0	
INCOME TAXES ON EXTRAORDINARY ITEMS	257	0		CR 9 381	0	
PROV. FOR DEF. TAXES-EXTRAORD. ITEMS	0	0		12 115	0	
CUM. EFFECT OF CHANGES IN ACCT. PRIN.	0	0		0	0	
NET INCOME (AFTER EXTRAORDINARY ITEMS)	372 805	180 218	106.8	821 267	770 420	6.5
INCOME FROM LEASE OF ROAD & EQUIP.	1 340	DR 43	D 681.3	4 576	2 036	124.7
RENT FOR LEASED ROADS & EQUIPMENT	17 206	32 663	D 47.3	50 977	51 328	D .6
NET RAILWAY OPERATING INCOME	399 140	121 772	227.7	910 910	609 339	49.4
CASH FLOW	833 142	603 266	38.1	2 247 806	2 002 751	12.2
RATIOS						
RATIO TO OPERATING REVENUES						
OPERATING EXPENSES	92.8	98.1		93.8	95.6	
OPERATING EXPENSES (INC. INC. TAXES)	94.3	98.6		95.6	97.2	
NET RAILWAY OPERATING INCOME	5.8	1.8		4.6	2.9	

RATE OF RETURN ON PROPERTY INVESTMENT [2/]

Year Ended September 30

(Thousands)

	Net Investment		Net Railway Operating Income		Rate of Return [3/]	
	1983	1982	1983	1982	1983	1982
EASTERN DISTRICT	$ 9 226 092	$ 9 467 220	$ 138 735	$ 216 033	1.50%	2.28%
SOUTHERN DISTRICT	7 408 751	7 268 937	317 306	154 975	4.28	2.13
WESTERN DISTRICT	19 220 545	18 011 628	847 069	410 781	3.55	2.28
UNITED STATES	34 855 388	34 747 785	1 103 110	781 789	3.16	2.25

RAILROAD REVENUES, EXPENSES, AND INCOME

THIRD QUARTER 1983 and 1982

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		ORDINARY INCOME	
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
EASTERN DISTRICT										
E/ BALTIMORE & OHIO	$ 226	$ 207	$ 234	$ 217	$ 241	$ 220	$ 10	$ 11	$ 4	$ 5
BESSEMER & LAKE ERIE	13	18	18	23	16	21	1	2	2	2
BOSTON & MAINE	28	29	29	30	31	31	-2	-2	-2	-1
CHESAPEAKE & OHIO	237	231	247	243	234	228	6	17	5	23
CONRAIL	718	672	747	822	716	885	32	-63	36	-25
DELAWARE & HUDSON	29	26	29	27	29	30	0	-2	-3	-4
DETROIT, TOLEDO & IRONTON	14	15	15	16	17	19	-2	-3	-3	-4
ELGIN, JOLIET & EASTERN	14	12	22	19	21	19	0	0	1	0
GRAND TRUNK WESTERN	51	54	54	58	59	59	-5	-1	-6	-2
E/ LONG ISLAND	0	0	0	0	0	0	0	0	0	0
NORFOLK & WESTERN	370	365	385	380	332	344	37	17	58	38
PITTSBURGH & LAKE ERIE	10	10	10	10	14	15	-2	-4	-4	-5
E/ WESTERN MARYLAND	0	21	0	22	0	17	0	2	0	3
EASTERN DISTRICT TOTAL	1 709	1 660	1 791	1 867	1 709	1 909	76	-26	88	31
SOUTHERN DISTRICT										
FLORIDA EAST COAST	24	21	24	22	21	19	1	1	3	3
ILLINOIS CENTRAL GULF	198	186	217	206	220	238	-2	-28	-12	-30
SEABOARD SYSTEM	597	555	609	567	577	555	34	24	19	15
SOUTHERN RY. SYSTEM	398	378	407	387	355	347	33	29	28	26
SOUTHERN DISTRICT TOTAL	1 217	1 140	1 258	1 181	1 172	1 159	66	25	39	14
WESTERN DISTRICT										
ATCHISON, TOPEKA & SANTA FE	544	515	554	524	498	485	39	34	39	30
BURLINGTON NORTHERN	1 019	912	1 041	934	889	895	85	32	88	48
CHICAGO & NORTH WESTERN	205	182	235	208	223	215	11	-6	3	-13
CHICAGO, MILW., ST. PAUL & PAC.	89	76	94	88	97	105	-3	-17	-2	3
DENVER & RIO GRANDE WESTERN	79	67	80	69	75	67	4	0	3	0
DULUTH, MISSABE & IRON RANGE	23	11	23	11	17	16	3	-3	4	-2
KANSAS CITY SOUTHERN	77	69	80	73	70	67	7	5	9	3
MISSOURI-KANSAS-TEXAS	52	54	55	58	51	55	3	3	1	1
MISSOURI PACIFIC	404	398	415	409	373	375	37	33	22	23
ST. LOUIS SOUTHWESTERN	95	75	97	76	92	70	6	5	9	5
SOO LINE	80	68	82	69	75	67	5	2	5	3
SOUTHERN PACIFIC CO.	489	457	503	473	546	488	14	-3	26	7
UNION PACIFIC	457	424	463	430	390	378	48	37	41	28
WESTERN PACIFIC	37	43	37	43	43	44	0	0	-2	-1
WESTERN DISTRICT TOTAL	3 649	3 350	3 759	3 466	3 438	3 325	257	123	244	136
GRAND TOTAL - UNITED STATES	6 575	6 150	6 808	6 514	6 319	6 393	399	122	371	180

RAILROAD REVENUES, EXPENSES, AND INCOME

NINE MONTHS ENDED SEPTEMBER 30, 1983 and 1982

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		ORDINARY INCOME	
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
EASTERN DISTRICT										
E/ BALTIMORE & OHIO	$ 637	$ 679	$ 661	$ 710	$ 689	$ 717	$ -12	$ 10	$ -13	$ 3
BESSEMER & LAKE ERIE	39	52	48	64	45	63	2	1	2	4
BOSTON & MAINE	83	88	87	91	91	94	-4	-2	-4	1
CHESAPEAKE & OHIO	679	763	706	800	654	720	34	46	20	86
CONRAIL	2 151	2 171	2 232	2 631	2 148	2 721	84	-88	90	-21
DELAWARE & HUDSON	79	82	81	85	85	92	-4	-6	-12	-13
DETROIT, TOLEDO & IRONTON	46	50	48	52	52	63	-4	-10	-7	-12
ELGIN, JOLIET & EASTERN	43	42	68	69	62	61	3	3	4	6
GRAND TRUNK WESTERN	156	177	166	186	173	185	-5	3	-8	1
F/ LONG ISLAND	0	0	0	0	0	0	0	0	0	0
NORFOLK & WESTERN	1 076	1 307	1 119	1 355	1 000	1 086	77	157	124	220
PITTSBURGH & LAKE ERIE	29	35	30	37	43	48	-11	-9	-19	-13
E/ WESTERN MARYLAND	22	64	23	66	24	53	-2	6	1	8
EASTERN DISTRICT TOTAL	5 040	5 509	5 268	6 148	5 068	5 900	157	110	180	272
SOUTHERN DISTRICT										
FLORIDA EAST COAST	74	66	75	67	61	59	-5	4	32	9
ILLINOIS CENTRAL GULF	600	623	657	683	653	763	4	-74	-18	-67
SEABOARD SYSTEM	1 780	1 781	1 819	1 826	1 722	1 763	100	84	67	70
SOUTHERN RY. SYSTEM	1 174	1 191	1 200	1 220	1 024	1 047	116	115	99	113
SOUTHERN DISTRICT TOTAL	3 628	3 661	3 750	3 796	3 462	3 632	216	128	180	126
WESTERN DISTRICT										
ATCHISON, TOPEKA & SANTA FE	1 517	1 558	1 546	1 589	1 452	1 492	72	81	60	57
BURLINGTON NORTHERN	2 913	2 722	2 978	2 792	2 598	2 672	232	88	207	103
CHICAGO & NORTH WESTERN	563	537	640	610	612	634	30	-19	9	-23
CHICAGO, MILW., ST. PAUL & PAC.	257	249	270	284	275	315	-5	-31	-21	-10
DENVER & RIO GRANDE WESTERN	222	220	226	225	214	205	11	14	9	13
DULUTH, MISSABE & IRON RANGE	54	44	56	45	47	51	3	-4	6	-1
KANSAS CITY SOUTHERN	222	227	232	237	206	208	19	24	18	15
MISSOURI-KANSAS-TEXAS	161	169	168	179	154	167	14	13	7	9
MISSOURI PACIFIC	1 207	1 260	1 237	1 301	1 124	1 150	98	124	50	95
ST. LOUIS SOUTHWESTERN	267	261	271	265	251	232	12	23	17	27
SOO LINE	210	212	215	217	204	200	7	10	7	13
SOUTHERN PACIFIC CO.	1 422	1 502	1 462	1 551	1 557	1 607	-37	-44	-18	1
UNION PACIFIC	1 311	1 343	1 331	1 361	1 190	1 218	91	97	83	79
WESTERN PACIFIC	114	132	115	134	132	139	-8	-3	-6	-1
WESTERN DISTRICT TOTAL	10 441	10 437	10 750	10 790	10 017	10 291	538	371	429	372
GRAND TOTAL - UNITED STATES	19 109	19 607	19 768	20 735	18 546	19 823	911	609	788	770

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON—MILES AND CAPITAL EXPENDITURES

CLASS I RAILROADS IN THE UNITED STATES [d/]
BY QUARTERS, 1978 - 1983

(All amounts in millions)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total [c/]
TOTAL OPERATING REVENUES					
1978	$ 4 772	$ 5 752	$ 5 397	$ 5 915	$ 21 836
1979	5 710	6 573	6 478	6 851	25 612
1980	6 802	6 943	6 995	7 517	28 257
1981	7 660	7 582	7 964	7 699	30 905
1982	7 196	7 226	6 613	6 482	27 507
1983	6 375	6 584	6 808		
TOTAL OPERATING EXPENSES					
1978	$ 4 903	$ 5 372	$ 5 266	$ 5 581	$ 21 122
1979	5 587	6 057	6 343	6 422	24 409
1980	6 380	6 559	6 602	6 809	26 350
1981	6 954	7 174	7 332	7 117	28 577
1982	6 828	6 826	6 500	6 331	26 473
1983	6 006	6 222	6 319		
ORDINARY INCOME (After Fixed Charges)					
1978	Def.$ 255	$ 233	$ 28	$ 246	$ 252
1979	20	430	40	318	808
1980	264	174	148	544	1 130
1981	626	336	480	562	2 004
1982	210	358	199	425	1 180
1983	182	268	371		
NET RAILWAY OPERATING INCOME					
1978	Def.$ 133	$ 270	$ 57	$ 257	$ 451
1979	57	387	57	299	800
1980	294	263	244	541	1 342
1981	475	278	434	198	1 385
1982	201	267	115	183	767
1983	264	247	399		
REVENUE TON-MILES					
1978	188 552	230 959	210 982	227 612	858 105
1979	207 945	239 009	229 572	237 173	913 699
1980	233 002	227 197	222 377	236 045	918 621
1981	236 597	222 516	227 534	225 056	911 705
1982	207 428	208 027	191 521	192 771	799 747
1983	196 113	203 894	211 284		
CAPITAL EXPENDITURES					
1978	$ 560	$ 680	$ 612	$ 886	$ 2 738
1979	669	767	856	1 033	3 325
1980	855	898	772	1 096	3 621
1981	926	710	550	668	2 854
1982	417	513	461	584	1 975
1983	227	505	N/A		

Def. - Denotes Deficit

a/ Rate of return is calculated on the net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits as prescribed by the Commission in Ex Parte 393 due to lack of available data on a quarterly basis. It is estimated that the Ex Parte 393 formula would produce a slightly lower return for the majority of carriers than does the formula used above.

b/ The 1983 and 1982 rate of return calculations are based on year-end 1982 and 1981 net investment, respectively.

c/ Differences in totals and subtotals are due to rounding.

d/ Data for 1978 and first three quarters of 1979 include Chicago, Rock Island and Pacific Railroad. The Rock Island is included in Ton-Mile figures for year end 1979.

e/ By Notice of Exemption served April 19, 1983, in Finance Docket No. 30160, The Baltimore and Ohio Railroad Company assumed control of the operations of the properties of Western Maryland Railway Company effective May 1, 1983. Accordingly, the third quarter and nine months' results for 1983 reflect this change.

f/ By letter of September 12, 1983, the ICC granted reclassification of the Long Island Rail Road from Class I to Class III effective with the reporting year beginning January 1, 1983. The Long Island Rail Road has been eliminated from the 1983 statistics on this report and from the 1982 comparative data on pages 1 through 3.

Economics & Finance Department
American Railroads Building
Washington, D.C. 20036
(202) 835-9361

4/13/84
A 3275-1

ASSOCIATION OF AMERICAN RAILROADS

FOURTH QUARTER 1983
R&E Series No. 716

March 29, 1984

RAILROAD REVENUES, EXPENSES, AND INCOME

CLASS I RAILROADS IN THE UNITED STATES [1/]

(Dollars in thousands)

ACCOUNT	FOR THE FOURTH QUARTER 1983		FOR THE FOURTH QUARTER 1982		PERCENT INCREASE 1983 OVER 1982	FOR THE TWELVE MONTHS ENDED DECEMBER 31 1983		FOR THE TWELVE MONTHS ENDED DECEMBER 31 1982		PERCENT INCREASE 1983 OVER 1982
REVENUE										
FREIGHT	$	6 702 866	$	6 009 245	11.5	$	25 829 137	$	25 615 286	.8
PASSENGER		77 039		88 939	D 69.5		106 539		372 663	D 71.4
PASSENGER RELATED		1 044		2 126	D 50.8		5 739		8 119	D 29.3
ALL OTHER OPERATING REVENUE		202 445		255 581	D 20.7		770 456		1 079 561	D 28.6
JOINT FACILITY ACCOUNT		3 363		3 872	D 13.1		13 908		17 841	D 22.0
TOTAL OPERATING REVENUES		6 936 757		6 359 763	9.0		26 725 779		27 093 470	D 1.3
EXPENSES										
DEPRECIATION-ROAD		64 888		64 001	1.3		237 969		228 248	4.2
ALL OTHER WAY AND STRUCTURES		1 153 459		1 123 180	2.6		4 662 690		4 880 167	D 4.4
TOTAL WAY AND STRUCTURES		1 218 347		1 187 181	2.6		4 900 659		5 108 455	D 4.0
DEPRECIATION-EQUIPMENT		254 063		243 420	4.3		997 592		1 000 577	D .2
ALL OTHER EQUIPMENT		1 332 679		1 247 597	6.8		5 114 816		5 309 242	D 3.6
TOTAL EQUIPMENT EXPENSE		1 586 742		1 491 017	6.4		6 112 408		6 309 819	D 3.1
TRANSPORTATION-TRAIN & YARD		2 585 544		2 578 468	.2		9 966 344		10 646 893	D 6.3
TRANSPORTATION-SPEC. SERV. & ADM.		352 988		352 876			1 423 225		1 496 061	D 4.9
GENERAL AND ADMINISTRATIVE		692 553		589 247	10.7		2 561 963		2 460 523	4.1
TOTAL OPERATING EXPENSES		6 396 154		6 198 789	3.1		24 964 578		26 021 751	D 4.0
NET REVENUE FROM RAILWAY OPERATIONS		540 603		160 974	235.8		1 761 201		1 071 719	64.3
OTHER INCOME		166 234		355 874	2.9		1 188 693		1 341 012	D 11.3
DIVIDENDS FROM AFFILIATES		59 796		191 982	D 68.8		171 507		309 240	D 43.6
EQUITY IN UNDISTR. EARN. OF AFFIL.	DR	27 934	DR	32 757	D 14.7	DR	119 366	DR	7 779	444.5
TOTAL INC. FROM AFFILIATED COS.		31 862		159 225	D 79.9		52 141		295 511	D 82.3
MISCELLANEOUS DEDUCTIONS		94 896		52 862	87.0		270 692		208 398	29.8
INCOME AVAILABLE FOR FIXED CHARGES		939 803		673 212	34.7		2 731 363		2 499 844	9.2
FIXED CHARGES										
INTEREST ON FUNDED DEBT		232 025		251 774	D 7.8		993 225		1 020 916	D 6.6
INTEREST ON UNFUNDED DEBT		11 547		9 180	25.7		40 008		34 175	17.0
AMORT. OF DISCOUNT ON FUNDED DEBT		2 410		2 527	D 4.6		9 512		11 439	D 16.8
TOTAL FIXED CHARGES		245 982		263 481	D 6.6		1 002 745		1 066 549	D 5.9
INCOME AFTER FIXED CHARGES		593 821		359 731	65.0		1 728 279		1 433 295	20.5
OTHER DEDUCTIONS		3 499		4 306	D 18.7		14 440		17 655	D 18.2
UNUSUAL OR INFREQ. ITEMS (DR.) CR.		12 370		53 850	D 76.5		33 043		113 611	D 70.9
INCOME (LOSS) FR. CONT. OPER. BEFORE INC. TAX		602 692		408 275	47.6		1 746 882		1 529 251	14.2
INCOME TAXES ON ORDINARY INCOME		36 883	CR	73 595	D N/A	CR	46 870	CR	58 755	D 20.2
PROVISION FOR DEFERRED INCOME TAXES		135 698		59 963	126.3		576 675		396 222	45.5
INCOME (LOSS) FR. CONT. OPER. AFTER INC. TAX		430 111		421 907	1.9		1 217 077		1 191 784	2.1
INCOME (LOSS) FR. OPER. OF DISCONT. SEG.		0		0			0		346	D 100.0
GAIN (LOSS) ON DISP. OF DISCONT. SEG.		0		0			0		0	
ORDINARY INCOME		430 111		421 907	1.9		1 217 077		1 192 130	2.0
EXTRAORDINARY ITEMS (NET)		5 726		0			39 441		0	
INCOME TAXES ON EXTRAORDINARY ITEMS		0		0			9 381		0	
PROV. FOR DEF. TAXES-EXTRAORD. ITEMS		0		0		CR	- 12 115		0	
CUM. EFFECT OF CHANGES IN ACCT. PRIN.		0		0			0		0	
NET INCOME (AFTER EXTRAORDINARY ITEMS)		433 837		421 907	2.8		1 253 784		1 192 130	5.1
INCOME FROM LEASE OF ROAD & EQUIP.		1 091		1 043	4.6		4 460		3 080	45.0
RENT FOR LEASED ROADS & EQUIPMENT		18 486		21 552	D 14.2		69 564		73 039	D 4.7
NET RAILWAY OPERATING INCOME		385 417		195 115	97.5		1 296 494		804 557	61.1
CASH FLOW		912 694		822 068	11.0		3 148 678		2 824 946	11.4
RATIOS										
RATIO TO OPERATING REVENUES										
OPERATING EXPENSES		92.2		97.4			93.4		96.0	
OPERATING EXPENSES (INC. INC. TAXES)		94.6		97.2			95.3		97.2	
NET RAILWAY OPERATING INCOME		5.5		3.0			4.8		2.9	

RATE OF RETURN ON PROPERTY INVESTMENT [2/]

Year Ended December 31

(Thousands)

	Net Investment		Net Railway Operating Income		Rate of Return [3/]	
	1983	1982	1983	1982	1983	1982
EASTERN DISTRICT	$ 9 226 092	$ 9 346 656	$ 276 587	$ 91 908	3.00 %	0.98 %
SOUTHERN DISTRICT	7 408 751	7 338 844	300 324	233 819	4.05 %	3.19 %
WESTERN DISTRICT	18 220 545	18 116 087	719 583	478 830	3.95 %	2.64 %
UNITED STATES	34 855 388	34 801 587	1 296 494	804 557	3.72 %	2.31 %

BEST AVAILABLE COPY

RAILROAD REVENUES, EXPENSES, AND INCOME

FOURTH QUARTER 1983 and 1982

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		ORDINARY INCOME	
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
EASTERN DISTRICT										
BALTIMORE & OHIO	$ 248	$ 181	$ 257	$ 190	$ 247	$ 212	$ 13	$ -5	$ 13	$ -1
BESSEMER & LAKE ERIE	11	13	16	18	13	17	2	-2	2	0
BOSTON & MAINE	30	27	32	29	29	33	2	-4	3	-3
CHESAPEAKE & OHIO	233	232	243	241	223	220	16	18	29	32
CONRAIL	765	663	794	809	746	845	44	-36	63	23
DELAWARE & HUDSON	27	25	27	25	29	30	-2	-5	-4	-7
DETROIT, TOLEDO & IRONTON	20	15	21	16	22	20	-1	-4	-1	-5
ELGIN, JOLIET & EASTERN	15	14	23	20	19	18	3	1	4	2
GRAND TRUNK WESTERN	59	45	62	50	66	61	-4	-11	-6	-13
LONG ISLAND	0	0	0	0	0	0	0	0	0	0
NORFOLK & WESTERN	393	367	408	382	326	335	47	28	62	53
PITTSBURGH & LAKE ERIE	13	9	13	10	14	13	-1	-3	-5	-4
WESTERN MARYLAND	0	20	0	21	0	15	0	3	0	3
EASTERN DISTRICT TOTAL	1 814	1 612	1 896	1 810	1 734	1 820	119	-18	160	81
SOUTHERN DISTRICT										
FLORIDA EAST COAST	29	25	30	25	24	21	-4	1	8	4
ILLINOIS CENTRAL GULF	199	192	218	212	213	221	13	45	11	42
SEABOARD COAST LINE	639	556	653	569	600	561	33	23	31	156
SOUTHERN RY. SYSTEM	394	376	403	384	333	335	42	36	39	30
SOUTHERN DISTRICT TOTAL	1 262	1 149	1 303	1 191	1 170	1 138	85	105	89	232
WESTERN DISTRICT										
ATCHISON, TOPEKA & SANTA FE	533	479	545	488	510	505	21	-6	23	-1
BURLINGTON NORTHERN	1 018	956	1 041	975	882	855	112	95	118	72
CHICAGO & NORTH WESTERN	193	171	221	198	221	196	1	3	-1	-4
CHICAGO, MILW., ST. PAUL & PAC.	89	71	92	80	93	87	-1	-7	3	-11
DENVER & RIO GRANDE WESTERN	79	66	80	67	78	64	2	3	1	3
DULUTH, MISSABE & IRON RANGE	22	9	22	9	19	16	0	-4	3	-3
KANSAS CITY SOUTHERN	71	67	74	71	62	66	10	5	3	1
MISSOURI-KANSAS-TEXAS	57	50	60	54	58	50	3	4	-1	1
MISSOURI PACIFIC	404	367	415	378	383	359	27	25	17	13
ST. LOUIS SOUTHWESTERN	95	75	96	76	92	68	-5	5	5	7
SOO LINE	76	66	78	68	70	63	5	2	6	2
SOUTHERN PACIFIC CO.	485	431	502	445	569	483	-29	-42	-25	8
UNION PACIFIC	473	406	479	412	412	386	41	31	36	26
WESTERN PACIFIC	32	37	32	38	43	44	-4	-5	-4	-3
WESTERN DISTRICT TOTAL	3 627	3 249	3 738	3 358	3 492	3 241	181	108	182	109
GRAND TOTAL - UNITED STATES	6 703	6 009	6 937	6 360	6 396	6 199	385	195	430	422

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON—MILES AND CAPITAL EXPENDITURES

CLASS I RAILROADS IN THE UNITED STATES [d/]
BY QUARTERS, 1978 - 1983

(All amounts in millions)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total [c/]
TOTAL OPERATING REVENUES					
1978	$ 4 772	$ 5 752	$ 5 397	$ 5 915	$ 21 836
1979	5 710	6 573	6 478	6 851	25 612
1980	6 802	6 943	6 995	7 517	28 257
1981	7 660	7 582	7 964	7 699	30 905
1982	7 196	7 226	6 613	6 482	27 507
1983	6 375	6 584	6 830	6 937	26 726
TOTAL OPERATING EXPENSES					
1978	$ 4 903	$ 5 372	$ 5 266	$ 5 581	$ 21 122
1979	5 587	6 057	6 343	6 422	24 409
1980	6 380	6 559	6 602	6 809	26 350
1981	6 954	7 174	7 332	7 117	28 577
1982	6 828	6 826	6 500	6 331	26 473
1983	6 006	6 222	6 340	6 396	24 964
ORDINARY INCOME (After Fixed Charges)					
1978	Def.$ 255	$ 233	$ 28	$ 246	$ 252
1979	20	430	40	318	808
1980	264	174	148	544	1 130
1981	626	336	480	562	2 004
1982	210	358	199	425	1 180
1983	182	268	337	430	1 217
NET RAILWAY OPERATING INCOME					
1978	Def.$ 133	$ 270	$ 57	$ 257	$ 451
1979	57	387	57	299	800
1980	294	263	244	541	1 342
1981	475	278	434	198	1 385
1982	201	267	115	183	767
1983	264	247	399	385	1 296
REVENUE TON-MILES					
1978	188 552	230 959	210 982	227 612	858 105
1979	207 945	239 009	229 572	237 173	913 699
1980	233 002	227 197	222 377	236 045	918 621
1981	236 597	222 516	227 534	225 058	911 705
1982	207 428	208 027	191 521	192 771	799 747
1983	196 120	203 900	210 808	215 323	826 150
CAPITAL EXPENDITURES					
1978	$ 560	$ 680	$ 612	$ 886	$ 2 738
1979	669	767	856	1 033	3 325
1980	855	898	772	1 096	3 621
1981	926	710	550	668	2 854
1982	417	513	461	584	1 975
1983	227	505	364	710	1 807

Def. - Denotes Deficit

a/ Rate of return is calculated on the net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits as prescribed by the Commission in Ex Parte 393 due to lack of available data on a quarterly basis. It is estimated that the Ex Parte 393 formula would produce a slightly lower return for the majority of carriers than does the formulas used above.

b/ The 1983 and 1982 rate of return calculations are based on year-end 1982 and 1982 average net investment, respectively.

c/ Differences in totals and subtotals are due to rounding.

d/ Data for 1978 and first three quarters of 1979 include Chicago, Rock Island and Pacific Railroad. The Rock Island is included in Ton-Mile figures for year end 1979.

e/ By Notice of Exemption served April 19, 1983, in Finance Docket No. 30160, The Baltimore and Ohio Railroad Company assumed control of the operations of the properties of Western Maryland. Results for 1983 reflect this change.

f/ By letter of September 12, 1983, the ICC granted reclassification of the Long Island Rail Road from Class I to Class III effective with the reporting year beginning January 1, 1983. The Long Island Rail Road has been eliminated from the 1983 statistics on this report and from the 1982 comparative data on pages 1 through 3.

Economics & Finance Department
American Railroads Building
Washington, D.C. 20036
(202) 835-9372

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RAILROAD REVENUES, EXPENSES, AND INCOME

TWELVE MONTHS ENDED DECEMBER 31, 1983 and 1982

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		ORDINARY INCOME	
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
EASTERN DISTRICT										
e/ BALTIMORE & OHIO	$ 885	$ 860	$ 919	$ 900	$ 936	$ 929	$ 1	$ 5	$ 0	$ 2
BESSEMER & LAKE ERIE	50	65	64	82	58	81	4	0	4	4
BOSTON & MAINE	113	115	118	120	121	126	-2	-6	-1	-2
CHESAPEAKE & OHIO	912	995	949	1 041	877	940	49	63	49	118
CONRAIL	2 916	2 834	3 025	3 440	2 894	3 565	128	-124	154	2
DELAWARE & HUDSON	105	106	108	111	114	122	-6	-11	-16	-20
DETROIT, TOLEDO & IRONTON	66	68	69	68	74	83	-5	-15	-8	-16
ELGIN, JOLIET & EASTERN	58	55	91	89	81	80	6	4	8	8
GRAND TRUNK WESTERN	215	223	227	236	239	246	-9	-8	-14	-11
f/ LONG ISLAND	0	0	0	0	0	0	0	0	0	0
NORFOLK & WESTERN	1 469	1 674	1 527	1 737	1 326	1 421	124	185	186	273
PITTSBURGH & LAKE ERIE	42	45	43	47	58	61	-13	-12	-23	-17
e/ WESTERN MARYLAND	22	84	23	87	24	68	-2	9	1	12
EASTERN DISTRICT TOTAL	6 854	7 121	7 164	7 959	6 802	7 721	277	92	340	353
SOUTHERN DISTRICT										
FLORIDA EAST COAST	103	90	105	93	85	79	-9	5	40	13
ILLINOIS CENTRAL GULF	800	815	874	898	866	984	17	-29	-7	-25
SEABOARD COAST LINE	2 420	2 338	2 472	2 396	2 322	2 324	134	107	98	227
SOUTHERN RY. SYSTEM	1 568	1 567	1 603	1 604	1 358	1 382	158	150	138	144
SOUTHERN DISTRICT TOTAL	4 890	4 810	5 054	4 981	4 632	4 770	300	234	268	358
WESTERN DISTRICT										
ATCHISON, TOPEKA & SANTA FE	2 051	2 031	2 091	2 078	1 962	1 996	93	75	83	56
BURLINGTON NORTHERN	3 931	3 676	4 019	3 763	3 480	3 526	344	183	325	174
CHICAGO & NORTH WESTERN	756	708	862	808	833	830	31	-16	8	-27
CHICAGO, MILW., ST. PAUL & PAC.	346	321	363	364	389	402	-6	-39	-19	-22
DENVER & RIO GRANDE WESTERN	301	286	306	293	292	269	12	18	10	16
DULUTH, MISSABE & IRON RANGE	76	52	78	54	67	67	3	-9	9	-5
KANSAS CITY SOUTHERN	293	294	306	308	267	275	29	28	21	16
MISSOURI-KANSAS-TEXAS	235	215	250	232	234	216	17	16	5	5
MISSOURI PACIFIC	1 611	1 627	1 652	1 679	1 507	1 509	125	148	67	109
ST. LOUIS SOUTHWESTERN	362	335	368	341	344	300	7	28	22	- 34
SOO LINE	286	278	293	284	274	264	12	12	13	15
SOUTHERN PACIFIC CO.	1 907	1 933	1 964	1 996	2 125	2 089	-66	-86	-43	8
UNION PACIFIC	1 784	1 749	1 809	1 773	1 602	1 604	132	128	119	105
WESTERN PACIFIC	145	170	141	172	176	183	-12	-8	-10	-4
WESTERN DISTRICT TOTAL	14 085	13 696	14 508	14 148	13 531	13 531	720	479	609	491
GRAND TOTAL - UNITED STATES	25 829	25 615	26 726	27 093	24 965	26 022	1 296	805	1 217	1 192

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ASSOCIATION OF AMERICAN RAILROADS

FIRST QUARTER 1984
R&E Series No. 717

RAILROAD REVENUES, EXPENSES, AND INCOME*

CLASS I RAILROADS IN THE UNITED STATES

(Dollars in thousands)

FOR THE FIRST QUARTER

ACCOUNT	1984	1983	PERCENT INCREASE 1984 OVER 1983
REVENUE			
FREIGHT	$ 7 213 462	$ 6 169 649	16.9
PASSENGER	29 958	27 291	9.8
PASSENGER RELATED	1 059	1 292	(18.0)
ALL OTHER OPERATING REVENUE	205 970	174 519	18.0
JOINT FACILITY ACCOUNT	1 442	1 323	9.0
TOTAL OPERATING REVENUES	7 450 891	6 375 659	16.9
EXPENSES			
DEPRECIATION-ROAD	231 944	58 662	
ALL OTHER WAY AND STRUCTURES	839 931	947 600	
TOTAL WAY AND STRUCTURES	1 071 093	906 262	
DEPRECIATION-EQUIPMENT	215 649	199 118	8.3
ALL OTHER EQUIPMENT	1 457 194	1 768 397	(17.6)
TOTAL EQUIPMENT EXPENSE	1 672 832	1 917 715	(12.8)
TRANSPORTATION-TRAIN & YARD	2 761 325	2 486 865	11.0
TRANSPORTATION-SPEC. SERV. & ADM.	376 947	365 391	3.2
GENERAL AND ADMINISTRATIVE	737 440	650 366	13.4
TOTAL OPERATING EXPENSES	6 619 225	6 326 704	
NET REVENUE FROM RAILWAY OPERATIONS	831 666	389 955	
OTHER INCOME	278 591	212 735	31.0
DIVIDENDS FROM AFFILIATES	27 976	25 541	9.5
EQUITY IN UNDISTR. EARN. OF AFFIL.	25 726	(10 295)	(349.9)
TOTAL INC. FROM AFFILIATED COS.	53 702	15 246	252.2
MISCELLANEOUS DEDUCTIONS	14 678	12 565	16.8
INCOME AVAILABLE FOR FIXED CHARGES	1 119 781	604 471	
FIXED CHARGES			
INTEREST ON FUNDED DEBT	229 260	243 419	(5.8)
INTEREST ON UNFUNDED DEBT	11 976	9 229	29.8
AMORT. OF DISCOUNT ON FUNDED DEBT	2 341	2 961	(20.9)
TOTAL FIXED CHARGES	243 187	255 607	(4.9)
INCOME AFTER FIXED CHARGES	875 614	294 068	
OTHER DEDUCTIONS	3 496	4 336	(19.4)
UNUSUAL OR INFREQ. ITEMS (DR.) CR.	360	10 917	(103.3)
INCOME (LOSS) FR. CONT. OPER. BEFORE INC. TAX	871 760	300 567	
INCOME TAXES ON ORDINARY INCOME	18 432	(CR) 18 324	200.6
PROVISION FOR DEFERRED INCOME TAXES	242 788	136 915	77.3
INCOME (LOSS) FR. CONT. OPER. AFTER INC. TAX	592 570	181 659	
INCOME (LOSS) FR. OPER. OF DISCONT. SEG.	0	0	
GAIN (LOSS) ON DISP. OF DISCONT. SEG.	0	0	
ORDINARY INCOME	592 570	181 659	
EXTRAORDINARY ITEMS (NET)	4 986	0	
INCOME TAXES ON EXTRAORDINARY ITEMS	0	0	
PROV. FOR DEF. TAXES-EXTRAORD. ITEMS	0	0	
CUM. EFFECT OF CHANGES IN ACCT. PRIN.	0	0	
NET INCOME (AFTER EXTRAORDINARY ITEMS)	597 556	181 659	
INCOME FROM LEASE OF ROAD & EQUIP.	1 152	1 496	(23.0)
RENT FOR LEASED ROADS & EQUIPMENT	12 941	14 792	(12.5)
NET RAILWAY OPERATING INCOME	594 765	264 365	
CASH FLOW	1 277 328	636 633	100.6
RATIOS			
RATIO TO OPERATING REVENUES			
OPERATING EXPENSES	88.8	99.2	
OPERATING EXPENSES (INC. INC. TAXES)	92.5	98.0	
NET RAILWAY OPERATING INCOME	7.5	4.1	

* SEE PAGE 4

RATE OF RETURN ON PROPERTY INVESTMENT

Year Ended March 31

(thousands)

	Net Investment		Net Railway Operating Income		Rate of Return	
	1984	1983	1984	1983	1984	1983
EASTERN DISTRICT	$ 9 226 092	$ 9 226 092	$ 172 619	$ 56 769	4.04	0.62
SOUTHERN DISTRICT	7 408 761	7 408 761	121 114	268 148	4.06	3.62
WESTERN DISTRICT	19 220 545	19 220 545	787 796	528 473	4.70	2.90
UNITED STATES	14 855 388	14 855 388	1 483 529	853 390	4.66	2.45

RAILROAD REVENUES, EXPENSES, AND INCOME

FIRST QUARTER 1984 and 1983

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME			ORDINARY INCOME		
	1984	1983	1984	1983	1984	1983	1984	1983 DA	1983 RRB	1984	1983 DA	1983 RRB
EASTERN DISTRICT												
BALTIMORE & OHIO	$ 255	$ 205	$ 265	$ 213	$ 252	$ 219	$ 17	$ -4	-3	$ 8	$ -9	-8
BESSEMER & LAKE ERIE	11	10	13	10	16	16	-2	-3	-3	-1	-3	-2
BOSTON & MAINE	30	26	31	27	30	30	1	N/A	-2	2	N/A	-2
CHESAPEAKE & OHIO	242	204	248	211	230	195	9	6	11	21	-2	5
CONRAIL	811	697	841	718	756	701	80	11	17	86	13	19
DELAWARE & HUDSON	28	23	31	24	32	27	-1	N/A	-3	-2	N/A	-6
ELGIN, JOLIET & EASTERN	18	14	28	22	23	19	2	1	1	3	2	2
GRAND TRUNK WESTERN	80	65	85	68	84	75	3	-4	-5	1	-5	-7
NORFOLK & WESTERN	422	334	438	347	361	331	35	20	11	57	28	23
PITTSBURGH & LAKE ERIE	11	9	12	9	14	16	-2	-6	-6	-4	-9	-8
EASTERN DISTRICT TOTAL	1 909	1 586	1 991	1 651	1 796	1 629	142	21	18	172	15	14
SOUTHERN DISTRICT												
FLORIDA EAST COAST	31	25	31	26	22	20	4	4	3	7	5	4
ILLINOIS CENTRAL GULF	233	205	254	224	237	217	16	-1	7	13	-8	0
SEABOARD SYSTEM	693	593	708	607	590	557	79	60	48	76	40	36
SOUTHERN RY SYSTEM	433	374	443	383	360	323	50	33	38	47	26	30
SOUTHERN DISTRICT TOTAL	1 390	1 197	1 436	1 239	1 210	1 117	149	96	96	142	63	70
WESTERN DISTRICT												
ATCHISON, TOPEKA & SANTA FE	573	476	582	486	533	484	34	4	3	32	-2	-3
BURLINGTON NORTHERN	1 101	972	1 124	993	902	843	120	89	95	140	71	77
CHICAGO & NORTH WESTERN	207	174	233	197	223	193	9	3	6	1	-1	0
CHICAGO, MILW, ST PAUL & PAC	101	82	105	87	104	83	0	3	4	1	2	3
DENVER & RIO GRANDE WESTERN	87	68	88	70	81	64	6	4	5	3	4	5
DULUTH, MISSABE & IRON RANGE	14	9	15	9	19	14	-3	-3	-3	-2	-3	-2
KANSAS CITY SOUTHERN	79	72	82	75	71	68	8	7	6	5	6	4
MISSOURI-KANSAS-TEXAS	66	53	69	55	64	51	5	5	5	3	3	3
MISSOURI PACIFIC	432	404	443	414	392	374	40	35	32	29	20	17
ST LOUIS SOUTHWESTERN	110	83	111	84	98	78	8	4	5	10	3	4
SOO LINE	82	65	84	67	76	63	4	1	2	5	1	2
SOUTHERN PACIFIC CO	530	449	547	462	550	500	11	-28	-34	29	-29	-34
UNION PACIFIC	496	439	502	445	456	393	31	28	31	27	20	24
WESTERN PACIFIC	39	40	39	41	44	47	-1	-5	-4	-4	-2	-2
WESTERN DISTRICT TOTAL	3 915	3 386	4 024	3 486	3 613	3 263	273	147	150	279	91	97
GRAND TOTAL - UNITED STATES	7 213	6 169	7 451	6 376	6 619	6 006	564	264	264	593	169	182

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON—MILES AND CAPITAL EXPENDITURES

CLASS I RAILROADS IN THE UNITED STATES [d]
BY QUARTERS 1979 - 1984

(All amounts in millions)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total [c]
TOTAL OPERATING REVENUES					
1979	5 710	6 573	6 478	6 851	25 612
1980	6 802	6 943	6 995	7 517	28 257
1981	7 660	7 582	7 964	7 699	30 905
1982	7 196	7 226	6 613	6 482	27 507
1983	6 375	6 584	6 830	6 937	26 726
1984	7 451				
TOTAL OPERATING EXPENSES					
1979	5 587	6 057	6 343	6 422	24 409
1980	6 380	6 559	6 602	6 809	26 350
1981	6 954	7 174	7 332	7 117	28 577
1982	6 828	6 826	6 500	6 331	26 473
1983	6 006	6 222	6 340	6 396	24 964
1984	6 619				
ORDINARY INCOME (After Fixed Charges)					
1979	Def.$ 20	430	40	318	808
1980	264	174	148	544	1 130
1981	626	336	480	562	2 004
1982	210	358	199	425	1 180
1983	182	268	337	430	1 217
1984	593				
NET RAILWAY OPERATING INCOME					
1979	Def.$ 133	$ 270	$ 57	$ 257	$ 451
1980	57	387	57	299	800
1981	294	263	244	541	1 342
1982	475	278	434	198	1 385
1983	201	267	115	183	767
1984	264	247	399	385	1 296
	564				
REVENUE TON-MILES					
1979	207 945	239 009	229 572	237 173	913 699
1980	233 002	227 197	222 377	236 045	918 621
1981	236 597	222 516	227 534	225 058	911 705
1982	207 428	208 027	191 521	192 771	799 747
1983	196 120	203 900	210 808	215 323	826 150
1984	231 137				
CAPITAL EXPENDITURES					
1979	$ 669	767	856	1 033	3 325
1980	855	898	772	1 096	3 621
1981	926	710	550	668	2 854
1982	417	513	461	584	1 975
1983	227	505	364	710	1 807
1984	N/A				

Def. - Denotes Deficit

a/ Rate of return is calculated on the net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits as prescribed by the Commission in Ex Parte No. 393 due to lack of available data on a quarterly basis. It is estimated that the Ex Parte No. 393 formula would produce a slightly lower return for the majority of carriers than does the formulas used above.

b/ The 1984 and 1983 rate of return calculations are based on year-end 1982 net investment on a betterment accounting basis. The 1984 NROI is estimated on a betterment accounting basis.

c/ Differences in totals and subtotals are due to rounding.

d/ Data for the first three quarters of 1979 include Chicago, Rock Island and Pacific Railroad. The Rock Island is included in Ton-Mile figures for year-end 1979.

e/ By Notice of Exemption served April 19, 1983, in Finance Docket No. 30160, The Baltimore and Ohio Railroad Company assumed control of the operations of the properties of Western Maryland. Results for 1984 and 1983 reflect this change.

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RAILROADS ADOPT DEPRECIATON ACCOUNTING FOR TRACK STRUCTURE

Beginning with 1983 annual reports and 1984 quarterly reports, the railroad industry began reporting its financial results to the Interstate Commerce Commission (ICC) based on a different method of accounting for its track structure. Although cash flow is *not* directly affected by this accounting change, reported income and investment for the industry as a whole are higher than would otherwise have been the case; the impact on individual railroads will differ.

Prior to 1983, railroads used the RRB (retirement, replacement, betterment) method to account for the consumption of their track structure (rail, ties, ballast, and other track material). Under RRB, when a track structure was originally installed, it was capitalized but never depreciated. All subsequent repairs and replacements in kind were treated as maintenance expense; only improvements (betterments) of the track were capitalized and again, not depreciated. The original cost, less salvage value, was charged to expense only when the track structure was retired, such as in an abandonment or major realignment of the track.

In response to an ICC requirement to change to the depreciation method of accounting (traditionally used to account for non-track assets), railroads now depreciate track assets over the estimated service life of each of the components. To implement this change, the value of track assets had to be restated to the amount they would have been at if they would have always been using depreciation accounting. This was accomplished by recording the value of the last programmed replacement of track structures, reduced by a depreciation reserve for the expired portion of the assets' useful service lives.

As a result of inflation, net income, investment, and related accounts are affected by the accounting change. First, since the cost of installing a new section of track has increased significantly over the amount at which most track was first installed, the restated value for the track accounts, net of depreciation reserve, has increased. In essence, the accumulated depreciation expense has not offset the far greater replacement cost. Second, the depreciation expense in any one year is less than what would have been recognized as maintenance expense under RRB, so that income increases. Under depreciation accounting in an inflationary environment, the depreciation expense recognized for lower-cost prior year replacements is less than the current years replacement cost recognized as maintenance under RRB.

Related income statement and balance sheet accounts will be affected as well. On the income statement, in addition to the increase in depreciation expense and the decrease in maintenance expense, interest expense and deferred tax expense will be affected. On the balance sheet, the increase in net road assets will be balanced by increases to accumulated deferred taxes and shareholders' equity. Finally, capital expenditures for road will increase.

Effect on the RE&I Report

Depreciation accounting affects the comparability of a number of statistics and trends published in the quarterly "Revenues, Expenses and Income" statement (RE&I). Since the ICC does not require a complete restatement of 1983 quarterly data to depreciation accounting, this year's RE&I is modified as follows:

Page 1: Income Statement - Where the comparison between 1984 and 1983 accounts is invalid, the percent increase or decrease statistic is not computed. For the first quarter, rates of return are computed on an RRB basis (estimated); for the second, third, and fourth quarters, rates of return are annualized percentages on a depreciation accounting basis.

Pages 2 & 3: Where data are available, 1983 Net Railway Operating Income and Net Income columns are shown on both a depreciation accounting and RRB basis.

Page 4: Prior to 1984, statistics are on the RRB basis. Beginning in 1984, statistics are on the depreciation accounting basis.

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ASSOCIATION OF AMERICAN RAILROADS

SECOND QUARTER 1984
R&E Series No. 718

RAILROAD REVENUES, EXPENSES, AND INCOME

September 12, 1984

CLASS I RAILROADS IN THE UNITED STATES

(Dollars in thousands)

ACCOUNT	FOR THE SECOND QUARTER 1984	FOR THE SECOND QUARTER 1983	PERCENT INCREASE 1984 OVER 1983	FOR THE SIX MONTHS ENDED JUNE 30 1984	FOR THE SIX MONTHS ENDED JUNE 30 1983	PERCENT INCREASE 1984 OVER 1983
REVENUE						
FREIGHT	57 288 769	6 289 751	15.9	14 502 231	12 458 399	16.4
PASSENGER	25 149	26 078	D 3.5	51 107	53 299	D 4.1
PASSENGER RELATED	1 255	1 290	D 2.7	2 314	3 042	D 23.9
ALL OTHER OPERATING REVENUE	226 972	187 050	21.3	433 942	361 568	20.0
JOINT FACILITY ACCOUNT	2 929	3 637	D 19.4	6 371	7 157	D 11.0
TOTAL OPERATING REVENUES	7 545 074	6 507 806	15.9	14 995 965	12 883 465	16.3
EXPENSES						
DEPRECIATION ROAD	235 598	55 757		467 146	114 399	
ALL OTHER WAY AND STRUCTURES	912 150	1 262 615		1 650 604	2 230 215	
TOTAL WAY AND STRUCTURES	1 047 748	1 318 372		2 117 750	2 314 614	
DEPRECIATION EQUIPMENT	233 143	244 503	D 4.6	468 791	493 621	D 5.0
ALL OTHER EQUIPMENT	1 435 254	1 230 632	16.6	2 894 841	2 498 724	15.9
TOTAL EQUIPMENT EXPENSE	1 668 397	1 475 135	13.1	3 363 632	2 992 345	12.4
TRANSPORTATION TRAIN & YARD	2 728 427	2 382 466	14.5	5 489 366	4 869 741	12.7
TRANSPORTATION SPEC SERV & ADM	371 744	333 857	11.3	748 168	688 948	8.6
GENERAL AND ADMINISTRATIVE	654 979	636 484	2.9	1 371 604	1 286 730	6.6
TOTAL OPERATING EXPENSES	6 471 295	6 146 674		13 090 520	12 152 378	
NET REVENUE FROM RAILWAY OPERATIONS	1 073 779	361 132		1 905 445	731 087	
OTHER INCOME	290 032	338 654	D 14.3	568 625	555 689	2.3
DIVIDENDS FROM AFFILIATES	21 653	45 979	D 52.9	39 627	71 522	D 44.6
EQUITY IN UNDISTR EARN OF AFFIL	51 365	DR 78 560	D 165.0	76 291	DR 46 835	D 185.6
TOTAL INC FROM AFFILIATED COS	72 718	DR 32 581	D 323.1	115 918	DR 17 313	D 769.5
MISCELLANEOUS DEDUCTIONS	53 547	50 398		88 225	102 964	
INCOME AVAILABLE FOR FIXED CHARGES	1 383 982	616 827		2 501 763	1 166 500	
FIXED CHARGES						
INTEREST ON FUNDED DEBT	229 836	237 733	D 3.4	459 036	483 652	D 5.4
INTEREST ON UNFUNDED DEBT	16 122	9 468	69.9	22 548	15 316	47.3
AMORT OF DISCOUNT ON FUNDED DEBT	2 273	1 925	18.0	4 814	4 666	3.2
TOTAL FIXED CHARGES	248 231	248 646	D .2	491 398	504 253	D 2.5
INCOME AFTER FIXED CHARGES	1 134 751	368 181		2 010 365	662 247	
OTHER DEDUCTIONS	2 800	4 350	D 35.6	6 794	8 986	D 24.4
UNUSUAL OR INFREQ ITEMS (DR) CR	1 437	3 117	D 53.9	1 377	13 934	D 90.2
INCOME (LOSS) FR CONT OPER BEFORE INC TAX	1 133 384	366 948		2 005 148	667 495	
INCOME TAXES ON ORDINARY INCOME	47 504	16 799	D 182.7	86 206	34 327	D 151.1
PROVISION FOR DEFERRED INCOME TAXES	276 154	149 724		518 942	286 660	
INCOME (LOSS) FR CONT OPER AFTER INC TAX	809 430	233 523		1 492 000	415 162	
INCOME (LOSS) FR OPER OF DISCONT SEG	0	75	D 100.0	0	75	D 100.0
GAIN (LOSS) ON DISP OF DISCONT SEG	0	0		0	0	
ORDINARY INCOME	809 430	233 598		1 492 000	415 257	
EXTRAORDINARY ITEMS (NET)	10 020	23 780		15 006	23 780	
INCOME TAXES ON EXTRAORDINARY ITEMS	0	0		0	0	
PROV FOR DEF TAXES EXTRAORD ITEMS	0	0		0	0	
CUM EFFECT OF CHANGES IN ACCT PRIN	0	0		0	0	
NET INCOME (AFTER EXTRAORDINARY ITEMS)	819 450	257 378		1 417 006	439 037	
INCOME FROM LEASE OF ROAD & EQUIP	1 263	1 513	D 16.5	2 415	3 037	D 20.5
RENT FOR LEASED ROADS & EQUIPMENT	18 897	18 979	D .4	31 838	33 771	D 5.7
NET RAILWAY OPERATING INCOME	767 455	245 173		1 331 720	509 538	
CASH FLOW	1 503 240	762 122	97.2	2 780 588	1 396 752	99.1
RATIOS						
RATIO TO OPERATING REVENUES						
OPERATING EXPENSES	85.7	94.4		87.2	94.3	
OPERATING EXPENSES (INC INC TAXES)	90.2	96.5		91.3	96.2	
NET RAILWAY OPERATING INCOME	10.1	3.7		8.8	3.9	

* SEE PAGE 4

RATE OF RETURN ON PROPERTY INVESTMENT [a]

Year Ended June 30

(thousands)

	Net Investment		Net Railway Operating Income		Rate of Return [b]	
	1984	1983	1984	1983	1984	1983
EASTERN DISTRICT	11,640,183	11,640,183	736,455	265,484	6.33	3.14
SOUTHERN DISTRICT	9,662,604	9,660,604	583,527	214,236	6.04	2.22
WESTERN DISTRICT	22,231,000	22,231,000	1,306,141	507,282	5.88	2.28
UNITED STATES	43,533,787	43,531,787	2,626,123	1,086,902	6.03	2.50

RAILROAD REVENUES, EXPENSES, AND INCOME

SECOND QUARTER 1984 and 1983

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME			ORDINARY INCOME		
	1984	1983	1984	1983	1984	1983	1984	1983		1984	1983	
								DA	RRB		DA	RRB
EASTERN DISTRICT												
BALTIMORE & OHIO	$ 271	$ 228	$ 282	$ 236	$ 251	$ 253	$ 27	24	-20	$ 21	23	- 7
BESSEMER & LAKE ERIE	19	16	26	20	17	14	5	6	3	5	3	3
BOSTON & MAINE	30	29	32	30	30	31	2	N/A	0	2	N/A	0
CHESAPEAKE & OHIO	292	238	304	248	239	225	39	36	16	60	36	10
CONRAIL	838	737	871	766	697	731	164	85	35	169	97	36
DELAWARE & HUDSON	30	27	32	28	31	28	0	N/A	0	0	N/A	- 3
ELGIN, JOLIET & EASTERN	18	15	27	24	24	22	1	0	2	3	1	1
GRAND TRUNK WESTERN	81	73	86	77	83	74	4	3	3	2	2	0
NORFOLK & WESTERN	438	373	455	386	361	337	52	18	29	77	53	43
PITTSBURGH & LAKE ERIE	16	10	17	10	15	14	2	- 4	- 4	-1	- 7	- 7
EASTERN DISTRICT TOTAL	2 033	1 745	2 130	1 826	1 747	1 730	297	168	63	339	205	77
SOUTHERN DISTRICT												
FLORIDA EAST COAST	30	25	31	25	22	20	4	2	- 8	8	26	24
ILLINOIS CENTRAL GULF	222	197	241	216	225	217	14	5	- 1	13	0	- 6
SEABOARD SYSTEM	686	591	700	603	597	588	72	-16	18	71	31	12
SOUTHERN RY SYSTEM	453	401	463	409	360	348	62	20	44	60	51	40
SOUTHERN DISTRICT TOTAL	1 389	1 214	1 434	1 253	1 204	1 173	152	11	53	152	108	70
WESTERN DISTRICT												
ATCHISON, TOPEKA & SANTA FE	562	497	574	507	520	470	37	30	31	35	28	24
BURLINGTON NORTHERN	1 072	922	1 096	943	866	866	133	11	53	137	88	41
CHICAGO & NORTH WESTERN	197	184	223	209	201	197	19	13	13	12	8	7
CHICAGO, MILW, ST PAUL & PAC	107	85	111	90	108	95	3	- 5	- 5	6	-18	-22
DENVER & RIO GRANDE WESTERN	92	0	93	0	84	0	6	- 1	0	7	2	0
DULUTH, MISSABE & IRON RANGE	25	23	27	23	22	16	0	6	3	4	4	4
KANSAS CITY SOUTHERN	77	74	81	77	69	68	8	1	7	6	6	5
MISSOURI-KANSAS-TEXAS	68	55	72	58	67	52	5	5	6	2	3	4
MISSOURI PACIFIC	440	399	451	408	402	377	39	1	29	33	18	11
ST LOUIS SOUTHWESTERN	112	89	113	91	100	82	7	- 1	2	11	5	5
SOO LINE	70	65	72	66	71	67	1	- 2	0	2	0	0
SOUTHERN PACIFIC CO	544	484	561	497	551	510	24	38	-17	31	19	- 9
UNION PACIFIC	462	416	469	422	421	401	33	15	12	32	21	18
WESTERN PACIFIC	39	37	39	37	38	43	2	- 4	- 4	0	- 2	- 2
WESTERN DISTRICT TOTAL	3 866	3 331	3 981	3 429	3 521	3 244	319	107	129	318	182	86
GRAND TOTAL - UNITED STATES	7 289	6 290	7 545	6 508	6 471	6 147	767	286	245	809	495	234

Note: N/A - These Railroads did not restate 1983 results. RRB amounts included in totals.

RAILROAD REVENUES, EXPENSES, AND INCOME

SIX MONTHS ENDED JUNE 30, 1984 and 1983

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME			ORDINARY INCOME		
	1984	1983	1984	1983	1984	1983	1984	1983		1984	1983	
								DA	RRB		DA	RRB
EASTERN DISTRICT												
BALTIMORE & OHIO	526	433	547	450	502	472	544	19	-23	530	13	-15
BESSEMER & LAKE ERIE	30	25	39	30	33	29	3	3	0	4	0	1
BOSTON & MAINE	60	55	63	58	60	60	4	N/A	- 3	4	N/A	- 2
CHESAPEAKE & OHIO	533	442	552	459	469	421	49	42	28	81	34	15
CONRAIL	1 649	1 434	1 712	1 484	1 453	1 432	244	96	52	255	110	55
DELAWARE & HUDSON	58	50	62	52	63	56	-1	N/A	- 4	-2	N/A	- 9
ELGIN, JOLIET & EASTERN	36	29	54	45	47	41	3	1	3	6	3	3
GRAND TRUNK WESTERN	161	137	170	145	166	149	6	0	- 2	3	- 3	- 7
NORFOLK & WESTERN	0	706	892	734	722	668	87	38	40	135	81	66
PITTSBURGH & LAKE ERIE	-8	19	29	20	29	30	0	-10	-10	-5	-15	-15
EASTERN DISTRICT TOTAL	3 942	3 331	4 120	3 477	3 543	3 359	439	182	81	510	212	92
SOUTHERN DISTRICT												
FLORIDA EAST COAST	61	50	62	51	44	40	7	6	- 6	15	31	29
ILLINOIS CENTRAL GULF	455	402	496	440	462	433	30	4	6	24	- 8	- 6
SEABOARD SYSTEM	1 377	1 183	1 407	1 210	1 188	1 145	151	44	66	147	71	48
SOUTHERN RY SYSTEM	886	775	905	792	720	671	112	53	83	107	77	70
SOUTHERN DISTRICT TOTAL	2 779	2 411	2 870	2 492	2 413	2 290	300	107	149	295	171	140
WESTERN DISTRICT												
ATCHISON, TOPEKA & SANTA FE	1 134	974	1 156	993	1 053	954	71	35	34	67	26	21
BURLINGTON NORTHERN	2 173	1 894	2 220	1 937	1 768	1 709	253	99	147	277	159	119
CHICAGO & NORTH WESTERN	404	358	455	406	424	389	29	16	19	13	6	7
CHICAGO, MILW, ST PAUL & PAC	208	168	216	177	212	178	4	- 1	- 2	7	-16	-19
DENVER & RIO GRANDE WESTERN	179	68	181	70	165	64	12	3	5	10	6	5
DULUTH, MISSABE & IRON RANGE	39	32	42	33	40	30	-3	3	0	2	1	2
KANSAS CITY SOUTHERN	156	145	163	152	140	136	16	8	12	12	12	9
MISSOURI KANSAS-TEXAS	134	109	141	114	131	103	10	10	10	5	6	6
MISSOURI PACIFIC	871	803	895	823	794	751	79	36	61	62	38	28
ST. LOUIS SOUTHWESTERN	222	172	224	175	198	160	16	3	7	21	8	8
SOO LINE	152	130	155	133	147	130	5	- 1	2	6	1	2
SOUTHERN PACIFIC CO	1 074	933	1 108	960	1 101	1 013	35	10	-51	60	-10	-44
UNION PACIFIC	958	855	971	867	878	800	64	42	43	58	41	42
WESTERN PACIFIC	77	77	78	78	82	90	2	- 9	- 9	-3	- 4	- 4
WESTERN DISTRICT TOTAL	7 781	6 717	8 006	6 915	7 134	6 504	592	254	279	597	274	183
GRAND TOTAL - UNITED STATES	14 502	12 458	14 996	12 883	13 091	12 192	1 332	543	510	1 402	657	415

[illegible] - Railroads did not restate 1983 results. RRB amounts included in totals.

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON—MILES AND CAPITAL EXPENDITURES

CLASS I RAILROADS IN THE UNITED STATES [d]
BY QUARTERS 1979 - 1984

(All amounts in millions)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total [c]
TOTAL OPERATING REVENUES					
1979	5 710	6 573	6 478	6 851	25 612
1980	6 802	6 943	6 995	7 517	28 257
1981	7 660	7 582	7 964	7 699	30 905
1982	7 196	7 226	6 613	6 482	27 507
1983	6 375	6 508	6 830	6 937	26 726
1984	7 451	7 545			
TOTAL OPERATING EXPENSES					
1979	5 587	6 057	6 343	6 422	24 409
1980	6 380	6 559	6 602	6 809	26 350
1981	6 954	7 174	7 332	7 117	28 577
1982	6 828	6 826	6 500	6 331	26 473
1983	6 006	6 147	6 340	6 396	24 964
1984	6 619	6 471			
ORDINARY INCOME (After Fixed Charges)					
1979	Def.$ 20	430	40	318	808
1980	264	174	148	544	1 130
1981	626	336	480	562	2 004
1982	210	358	199	425	1 180
1983	182	234	337	430	1 217
1984	593	809			
NET RAILWAY OPERATING INCOME					
1979	Def.$ 133	$ 270	$ 57	$ 257	$ 451
1980	57	387	57	299	800
1981	294	263	244	541	1 342
1982	475	278	434	198	1 385
1983	201	267	115	183	767
1984	264	245	399	385	1 296
	564	767			
REVENUE TON-MILES					
1979	207 945	239 009	229 572	237 173	913 699
1980	233 002	227 197	222 377	236 045	918 621
1981	236 597	222 516	227 534	225 058	911 705
1982	207 428	208 027	191 521	192 771	799 747
198	196 120	203 900	210 808	215 323	826 150
19	231 137	235 008			
CAPITAL EXPENDITURES					
1979	$ 669	767	856	1 033	3 325
1980	855	898	772	1 096	3 621
1981	926	710	550	668	2 854
1982	417	513	461	584	1 975
1983	227	505	364	710	1 807
1984	647	1 161			

Def. - Denotes Deficit

NOTE: Depreciation Accounting Effects on the REAI Report

Depreciation accounting affects the comparability of a number of statistics and trends published in the quarterly "Revenues, Expenses and Income" statement ("REAI"). Since the ICC does not require a complete restatement of 1983 quarterly data to depreciation accounting, this year's REAI is modified as follows:

Page 1: Income Statement -- where the comparision between 1984 and 1983 accounts is invalid, the percent increase or decrease statistic is not computed. For the first quarter, rates of return are computed on RRB basis (estimated). For the second, third and fourth quarters, rates of return are annualized percentages on a depreciation accounting basis.

Pages 2 & 3: Where data are available, 1983 Net Railway Operating Income and Net Income columns are shown on both a depreciation accounting and RRB basis.

Page 4: Prior to 1984, statistics are on the RRB basis. Beginning in 1984, statistics are on the depreciation accounting basis.

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a/ Rate of return is calculated on the net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits as prescribed by the Commission in Ex Parte No. 393 due to lack of available data on a quarterly basis. It is estimated that the Ex Parte No. 393 formula would produce a slightly lower return for the majority of carriers than does the formulas used above.

b/ The 1984 and 1983 rate of return calculations are based on year-end 1983 net investment on a depreciation accounting basis. The 1983 NROI is for the first six months on a depreciation accounting basis. The resulting ratio is doubled to achieve a rate of return on an annual basis.

c/ Differences in totals and subtotals are due to rounding.

d/ Data for the first three quarters of 1979 include Chicago, Rock Island and Pacific Railroad. The Rock Island is included in Ton-Mile figures for year-end 1979.

e/ By Notice of Exemption served April 19, 1983, in Finance Docket No. 30160, the Baltimore and Ohio Railroad Company assumed control of the operations of the properties of Western Maryland. Results for 1984 and 1983 reflect this change.